

June 30, 2009

**FAS INSTRUCTIONAL LETTER 2009-05****MEMORANDUM FOR ALL FAS ACQUISITION ACTIVITIES  
(QV DISTRIBUTION LIST)**

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**SUBJECT:** Interagency Agreements--Acceptance and Obligation of Funds

1. Purpose. The purpose of this Instructional Letter (IL) is to provide Federal Acquisition Service (FAS) specific guidance regarding fiscal year cut-off dates as it relates to accepting funds near the fiscal year end.
2. Background. The General Services Administration (GSA) Office of the Chief Acquisition Officer (OCAO) issued GSA Acquisition Letter V-09-06, Interagency Agreements--Acceptance and Obligation of Funds on June 16, 2009. This Acquisition Letter establishes GSA policy for accepting funds under an Interagency Agreement (IA). The term "Interagency Agreement" includes Memorandum of Understanding (MOU), Memorandum of Agreement (MOA), Reimbursable Work Authorization (RWA), or any other interagency assisted acquisition service agreement (including stand-alone Military Interdepartmental Purchase Request (MIPR)).

Customer agencies are required to obligate their funds during the funds' period of availability. In the case of annual appropriations, this means by the end of the given fiscal year. GSA, in accepting the IA under its statutory authorities, must act within a reasonable amount of time to contract for the customer agency's needs in a timely manner. Refer to GSA AL V-09-06, Appendix A, for GSA policies for determining "reasonable time". This is particularly important in certain Department of Defense (DoD) requirements. Should GSA accept a MIPR late in the fiscal year but fail to award a contract (or delivery/task order) before the end of the fund's original availability, GSA may be required to return the unused funds to the customer agency.

3. Effective Date. Date of signature.
4. Termination Date. This IL expires one year from the effective date unless cancelled, extended, or incorporated into a handbook.
5. Applicability. This IL applies to all IAs entered into between GSA/FAS and Federal agencies/departments or non-Federal entities as authorized by law for the acquisition of goods and services.
6. Reference to Regulations. This IL references GSA Acquisition Letter V-09-06, Interagency

Agreements--Acceptance and Obligation of Funds. Additionally the following FAS documents are germane to the topic:

- FAS Procurement Information Notice 2009-04, Availability of Funds
- FAS Procurement Information Notice 2008-04, Improving the Management and Use of Interagency Agreements
- FAS Procurement Information Notice 2008-02, Federal Acquisition Service (FAS) Guidance on Interagency Agreements--Acceptance and Obligation of Funds

7. Instructions/Procedures. The following instructions/procedures apply to all FAS activities when entering into IAs between GSA/FAS and Federal agencies/departments or non-Federal entities as authorized by law for the acquisition of goods and services.

- A. Fiscal Year Cut-Off Dates: Specific cut-off dates for the acceptance of funds close to the end of the fiscal year is too restrictive. The decision to accept funds near the fiscal year end must be a case-by-case determination. Use good business judgment. Ask yourself, would a prudent and rational person issue the task/delivery order given the complexity of the requirement, and minimum time required to properly execute the order obligating the funds. In order to determine a cut-off date as to when funds will no longer be accepted start with GSA AL V-09-06, Appendix D, Restrictions Applicable to Funds Accepted Under Interagency Agreements (IAs).
- B. Multiple Award Schedule (MAS) Considerations: If the task/delivery order will be issued against a GSA Multiple Award Schedule (MAS) contract or Blanket Purchase Agreement established against a MAS contract(s), verify the contract delivery schedule. MAS contract terms and conditions are available on-line at [www.gsa.gov/elibrary](http://www.gsa.gov/elibrary). For example, the MIPR is received 10 days before the end of the fiscal year, the requirement is for goods, and the MAS contract delivery schedule is "within five days after-receipt-of-order (ARO)" for in-stock product, place the order.

A study of MAS ordering timeframes revealed the average amount of time it took to place an order against a Schedule contract was 15 days. The average time to place an order against a BPA established against a MAS contract was 13 days. Use these timeframes as one basis for deciding on whether to accept an IA near the fiscal year end.

- C. Other Contracting Vehicle: Considerations: Regarding GWACs, IDIQs and MACs, review the contract clauses regarding delivery timeframes before making the decision on whether to accept or decline an IA.
- D. IA Acceptance: Not accepting an IA because of end of fiscal year time constraints is regrettable. However, accepting an IA, and not being able to contractually obligate the funds by the last day of the fiscal year is disastrous. The latter decision is ruinous to customer relations.